PRINCE EDWARD ISLAND

PAY EQUITY

PAY EQUITY BUREAU

A Report Covering the Period April 1, 1991 to September 30, 1991.

Faye Martin Birt
Commissioner of Pay Equity

92-06015/

The Honourable Marion L. Reid
Lieutenant Governor of the
Province of Prince Edward Island

May It Please Your Honour:

I have the honour to submit the sixth report of the Pay Equity Bureau for the operating period April 1, 1991, to September 30, 1991.

I have the honour to be, Madam,

Your Obedient Servant,

Roberta Hubley
Minister of Labour

To The Honourable Roberta Hubley
Minister of Labour
Province of Prince Edward Island
Charlottetown, PEI

Madam;

It is with distinct privilege that I submit to you the sixth report of the Pay Equity Bureau for the six month operating period of April 1, 1991, to September 30, 1991.

Respectfully,

Faye Martin Birt

Faye Martin Birt
Commissioner of Pay Equity

I. INTRODUCTION

This is the sixth in a series of semi-annual reports on progress towards the achievement of pay equity in the Prince Edward Island public sector. It covers the period from April 1 to October 1, 1991. The previous report illustrated some of the findings of the pay equity analysis in the PEI civil service and three crown agencies. It showed the amount of wage inequities that had been identified in predominantly-female job classes, the number of employees affected and the time period required to correct these inequities. This report will show the results of the pay equity study in a fourth crown agency and will outline the status of negotiations and the progress towards implementation of pay equity in the remainder of the public sector.

The main objective of the Pay Equity Act proclaimed on October 1, 1988, is "to achieve pay equity by redressing systemic gender discrimination in wages paid for work performed by employees in female-dominated classes and to maintain pay equity in the public sector." Pay equity legislation is based on the principle that wages should reflect the value of the work performed, regardless of the gender of the worker. It provides a remedy for pay inequities that are the result of the undervaluation of women's jobs. The Pay Equity Act has established a four-stage process and a timetable for the implementation of pay equity. Public sector employers covered by the Act are required to systematically analyze and evaluate jobs predominantly performed by women or by men. The male and female-dominant jobs are then compared in terms of relative value of the work performed and the wages paid for the work. This process is conducted jointly with recognized bargaining agents and representatives of employees who are excluded from the recognized bargaining units. If this analysis reveals gender based wage discrimination in the organization's compensation practices, wage adjustments are implemented to correct this bias. The Act also requires employers to maintain pay equity once it has been achieved.

There are specific tasks to be completed in each of the four stages outlined in the Act. During Stage I (9 months) agreement must be reached on a gender-neutral job evaluation plan and on the male-dominant (60%) and female-dominant (60%) classes in the establishment to which the plan will be applied. During Stage II (12 months) the work in each of the job classes is evaluated, wage inequities are identified and the parties agree on the total amount of pay equity adjustments due to each employee group. In Stage III (3 months) the parties negotiate the allocation and implementation of pay equity wage adjustments among female job classes where inequities have been found. Stage IV is the final period during which the employer makes wage adjustments at the rate of 1% of the total payroll each year, until pay equity has been achieved. These wage adjustments must begin no later than twenty-four months after the beginning of Stage I. At the end of Stages I, II and III, copies of negotiated agreements must be filed with the Commissioner of Pay Equity. The Act also designates two groups of public sector employers with two different time frames from the beginning of Stage I to the completion of Stage III and the start of wage adjustments. For the Government and crown agencies, this time period was from January 1, 1989 to December 31, 1990, with wage adjustments beginning on January 1, 1991; for the remaining public sector employers, Stages I through III cover the period from January 1, 1990 to December 31, 1991, and wage adjustments are to begin on January 1, 1992. The chart in Appendix A illustrates the various stages and time periods from the beginning of negotiations until pay equity is achieved. Appendix B describes the wage comparison method outlined in the Act.

The following section of the report will provide information on progress towards pay equity implementation as of September 30, 1991. The final section will briefly describe the mandate and activities of the Pay Equity Bureau.

II. PROGRESS REPORT - PAY EQUITY IMPLEMENTATION

The Government and Crown Agencies

Included in this group are the following employers:

- The Government of Prince Edward Island (Civil Service)
- Georgetown Shipyard Inc.
- The P.E.I. Development Agency
- The P.E.I. Grain Elevators Corporation
- The P.E.I. Food Technology Centre

Joint pay equity committees in the Civil Service, Georgetown Shipyard, the Grain Elevators Corporation and the P.E.I. Development Agency completed their pay equity analyses in 1990 and filed their final agreements with the Commissioner of Pay Equity at the end of that year. These establishments, at the time of reporting, were in Stage IV - the period during which the required wage increases are phased in at the rate of 1% of payroll per year. The time period for the implementation of wage adjustments is five years in the civil service and two years in three of the four crown agencies. (The job classes receiving wage adjustments and the actual amounts of the adjustments are listed in the previous report.)

The fourth crown agency, the Food Technology Centre formed a joint employer/employee committee which began pay equity negotiations in the summer of 1990, completed Stage I in September of that year and filed the final agreements (Stage II and Stage III) with the Pay Equity Bureau in June, 1991. There were twelve female-dominant job classes identified by the joint committee and eight of these were eligible for wage adjustments. Twelve employees in these eight classes (11 women and one man) received an average adjustment of $3,195 on a full-time, annual salary*.

*Three employees were part-time or casual workers. Their adjustments were converted to full-time, full-year equivalents for reporting and comparison purpose.

The total cost was estimated at $34,479 or 3.44% of payroll. The time required to phase in the adjustments, at 1% of payroll would normally be 3-4 years. However, this organization was in the process of developing a comprehensive pay plan for all positions at the time that they pay equity study was being conducted. The pay equity committee decided to finalize the timetable for pay equity adjustments when the design for the new pay plan was complete. The first portion of the wage adjustments was made retroactive to January 1, 1991.

The following table summarizes the overall results of the pay equity analysis in the civil service and the four crown agencies:

PAY EQUITY WAGE ADJUSTMENTS - P.E.I. CIVIL SERVICE AND CROWN AGENCIES

EMPLOYER	TOTAL AMOUNT OF WAGE ADJUST-MENTS	AVERAGE WAGE ADJUSTMENT (ON FULL-YEAR SALARY)*	NUMBER OF EMPLOYEES RECEIVING WAGE ADJUSTMENTS	NUMBER OF YEARS REQUIRED TO IMPLEMENT WAGE ADJUSTMENTS
PEI CIVIL SERVICE	5,965,880	3,085	1,934	5
GEORGETOWN SHIPYARD	23,650	5,913	4	2
PEI GRAIN ELEVATORS CORP.	5,276	2,638	2	2
PEI DEVELOPMENT AGENCY	21,172	2,352	9	2
PEI FOOD TECHNOLOGY CENTRE	34,479	3,195	12	3-4**

* Part-time or casual wages are converted to full-time, full-year equivalents for comparison purposes.
** The full schedule of adjustments was not determined at time of reporting.

The Broader Public Sector

The "broader public sector", which began pay equity negotiations in January of 1990, consists of the following employers:

- The University of Prince Edward Island
- Holland College
- general hospitals and P.E.I. School of Nursing
- regional school boards
- county addiction services organizations
- licensed, non-government nursing homes
- Charlottetown Area Development Corporation
- Summerside Regional Development Corporation.

Three groups of employers in the above list - the five regional school boards, the seven general hospitals and the school of nursing and the three county addiction services - each conduct collective bargaining on a province-wide basis. The Act requires such groups to negotiate pay equity in the same manner. Therefore, each of the three groups is treated as one establishment for pay equity purposes. The following is a summary of the status of the broader public sector establishments as of September 30, 1991:

<u>The University of Prince Edward Island</u>

The pay equity committee at the University completed the job evaluation process in the early spring of 1991. Following this, the committee met several times to review the consultant's analysis of the pay practices for male and female-dominant jobs, in order to make wage comparisons. A final decision on the wage adjustments was deferred, due to a request by one bargaining agent for a review of wage and wage adjustment calculations.

Holland College

The Holland College committee had completed job evaluations and the subsequent analysis and agreed on wage adjustments. It was anticipated that the final agreement (Stage II and Stage III combined) would be completed by late fall.

General Hospitals and School of Nursing

Job evaluations for the hospitals were completed. The parties had not yet agreed on wage adjustments by September 30, but it was expected that all remaining tasks would be achieved and Stage II and Stage III agreements reached by the end of 1991. The joint committee had made up for time lost through the decision to conduct a pilot project before the main pay equity study. However, in this multi-union environment, the final negotiations were expected to be time-consuming.

Regional School Boards

The negotiations for the school system had also been delayed because of a complaint filed with the Commissioner of Pay Equity by two of the parties during Stage I. The joint committee had also decided to conduct a pilot project which was completed in late spring of 1991. At the time of reporting, job evaluations were scheduled for October-November and the results to be reviewed by the steering committee in December. While no major problems were occurring, it was not anticipated that the final agreements would be completed before December 31st.

County Addiction Services

Job evaluations were completed. The parties had decided to combine Stage II and Stage III agreements but had agreed to postpone finalizing these agreements because one of the parties was in a critical stage of collective agreement negotiations.

Nursing Homes

Only three of the original nine nursing homes had proceeded beyond Stage I of pay equity implementation because of a lack of male-dominant job classes for comparison (see previous reports). Of these three, one had completed the job evaluations by September 30, but had not yet determined the wage adjustments required. At another nursing home, job evaluations were also completed and the direct method of wage comparison was used (See Appendix B) since there were not enough male-dominant job classes to construct a pay policy line. None of the female-dominant classes in this establishment were equal or comparable in value to the two male classes. Therefore, it was decided by the committee that no pay equity wage adjustments would be made. In the third nursing home, the pay equity committee had not yet completed its job evaluations. It was anticipated by the committee at the time of reporting that these would be done, wage comparisons made and final agreements signed by December 31, 1991.

Charlottetown Area Development Corporation (C.A.D.C.) and Summerside Regional Development Corporation (S.R.D.C.)

The pay equity committees in both of these organizations had elected to have a consultant evaluate the job classes, with the committee giving final approval of the evaluations. This task was done at the time of writing. In C.A.D.C., the wage adjustments had been determined as well, and the Stage II and Stage III agreements were both completed and filed with the Pay Equity Bureau by September 30th. (The results will be summarized in the next report.) The committee at S.R.D.C. was awaiting the consultant's final analysis and report and expected to complete the final agreements by December 31st.

Discussion

The process of pay equity negotiations has proven to be more time-consuming and, in some areas, more contentious in the broader public sector than in the Government and the crown agencies. The complexities involved in multi-union negotiations as well as the rapidly increasing sophistication in pay equity concepts and processes may have resulted in more time being required to complete the various tasks. The parties are to be commended for their ongoing commitment to what can be a difficult and tiring process.

III. THE PAY EQUITY BUREAU - Activities

The Pay Equity Act designates the Pay Equity Bureau as the agency responsible for administering the Act and sets out a number of educational, assisting, monitoring, regulatory and reporting duties to be performed by the Bureau. These include:

- Providing information to any person concerned with pay equity.
- Providing assistance to public sector employers, employees and the appropriate bargaining agents in the implementation of pay equity.
- Preparing and disseminating educational material relating to pay equity.
- Monitoring the progress of public sector employers in the implementation of pay equity.
- Initiating and overseeing pay equity negotiations required to be undertaken by the public sector employer and the appropriate bargaining agents.
- Reporting to the Minister of Labour, at least every six months, on the progress of pay equity implementation.
- Preparing and maintaining statistics relating to pay equity.
- Receiving and processing complaints regarding compliance with the Act.
- Performing such other duties as the Minister may determine.

The Pay Equity Bureau staff, appointed under the Civil Service Act, consists of four full-time positions:

Commissioner of Pay Equity - Faye Martin Birt
Pay Equity Officer - Glenda Rodd
Pay Equity Officer - Frances Piercey
Secretary - Dawn Cahill

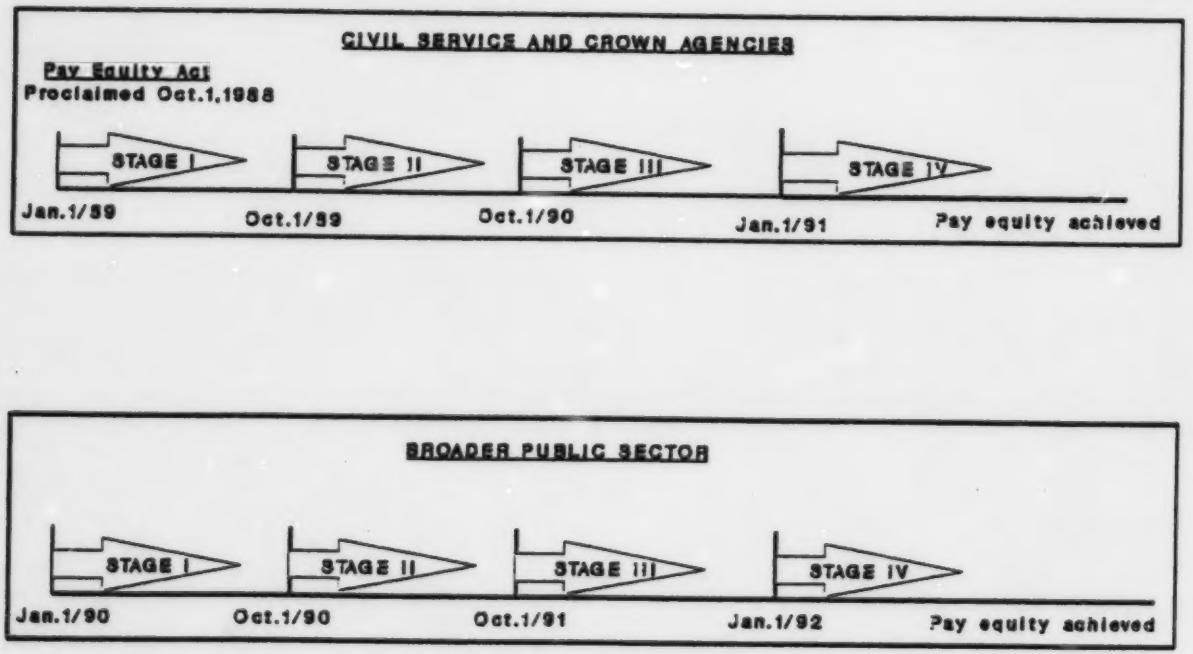
The Commissioner of Pay Equity, as chief administrator of the Bureau, is responsible for ensuring compliance with the Act. In order for the Bureau to carry out its functions, the Commissioner and the pay equity officers may summon witnesses, require the production of documents, administer oaths, have access to places of employment and issue orders and directions when necessary.

An amendment to Section 5(1) of the Pay Equity Act, passed by the Prince Edward Island Legislature on March 7, 1990, has officially made the Pay Equity Bureau an independent Bureau within the Department of Labour. The original Act established the Bureau as part of the Women's Division of the Department.

The Pay Equity Bureau sees the primary objective of pay equity legislation in Prince Edward Island as enabling pay equity to be achieved expeditiously and fairly to all parties concerned. The Pay Equity Act is designed to enable public and broader public sector employers and employee representatives to achieve pay equity through a process of negotiations focused upon problem solving and consensus building. The thrust of administering the process will therefore remain, wherever possible, in the hands of the parties themselves. The Bureau responds to requests for technical advice and guidance where it is appropriately within its mandate to do so.

The Bureau continues to affirm the Pay Equity Act as remedial anti-discrimination legislation and, as such, the Commissioner of Pay Equity will interpret and apply its provisions broadly to facilitate the implementation, achievement and maintenance of pay equity in the public and broader public sectors of Prince Edward Island.

Pay Equity Implementation Stages
P.E.I. Public Sector



P.E.I. Pay Equity Bureau

APPENDIX A

APPENDIX B

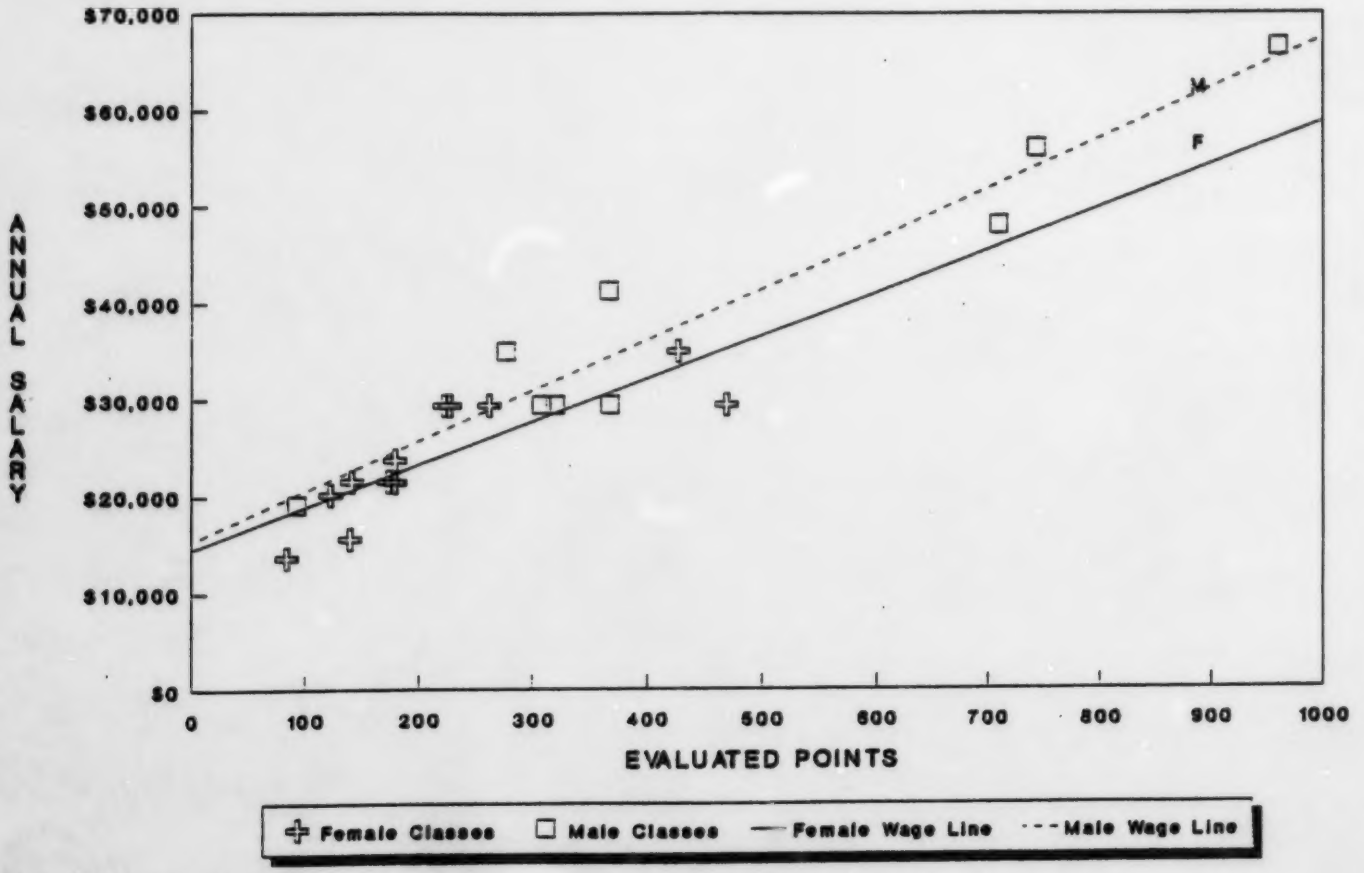
Pay Equity Wage Comparison Methodology

The Pay Equity Act (Section 7 (2)) outlines a method of wage comparison to be used once the work in female and male-dominant job classes has been evaluated and a numeric or 'point' value assigned to each job class. The wage for female-dominant classes is to be compared with the "average or projected average" wage of male-dominant classes performing work of equal or comparable value. This method involves calculating a composite 'wage line' which statistically represents the organization's pay practice for male-dominated jobs. The wage line approach determines what male jobs would be paid on the average at each numerical point value. This procedure yields a formula which can be used to determine what a female-dominant job class of a particular point value would be paid, in order to match the male pay practice. An alternate technique which is sometimes used is to determine the average pay practice for both male and female job classes, i.e., construct two wage lines, and adjust the salaries of female-dominant job classes until the two wage lines coincide. The chart on the following page graphically illustrates job classes and wage lines in a public sector organization.

The wage line approach to pay equity, an indirect comparison method, avoids one of the difficulties inherent in Nova Scotia's and Ontario's pay equity legislation. In order for a female job class to receive wage adjustments in these jurisdictions, there must be at least one male job class of equal or comparable value which is paid more than the female class. This 'direct comparison' method frequently results in pay inequities which are not corrected because a male 'comparator class' cannot be found. The Ontario Government plans to introduce amendments to its legislation to address this problem.

In some public sector workplaces only one or two male job classes exist and a valid male wage line cannot be constructed. The parties may choose to apply the direct comparison method in these situations, in keeping with the spirit and intent of the Act.

Male and Female Wage Lines
(Public Sector Organization)



P.E.I. Pay Equity Bureau